

Elements of a Good Dental Practice Partnership

Like a bundle of sticks, good dental practice partners support each other and are less likely to crack under strain together than on their own. In fact, practices with multiple owners have a stronger chance of surviving their first five years than sole proprietorships, according to U.S. Small Business Administration data.

Yet sole proprietorships are more common than partnerships, making up more than 70 percent of all businesses. That's because while good partnerships are strong, they can be hard to make. Here are some elements that good dental practice partnerships require:

1. **A shared vision**

Dental practice partnerships need a shared vision. If there are differences in vision, make an honest effort to find compromise. Remember, if you disagree over the big picture, you are going to be disagreeing over everything.

2. **Compatible strengths**

Different people bring different skills and personalities to a dental practice. There is no stronger glue to hold a practice partnership together than when partners need and rely on each other's abilities. Suppose one person is great with numbers and another is a natural at marketing. Each is free to focus on what they are good at and can appreciate that their partner will pick up the slack in the areas where they are weak.

3. **Defined roles and limitations**

Before starting a practice partnership, outline who will have what responsibilities. Agree which things need consensus and which do not. Having this understanding upfront will help resolve future disagreements. Outlining the limits of each person's role not only avoids conflict, it also identifies where you need to hire outside expertise to fulfill a skill gap in your partnership.

4. **A conflict resolution strategy**

Conflict is bound to arise even if the fundamentals of your partnership are strong. Set up a routine for resolving conflicts. Start with a schedule for frequent communication between partners. Allow each person to discuss issues without judgment. If compromise is still difficult after discussion, it helps to have someone who can be a neutral arbiter, such as a trusted employee or consultant.

5. **A goal-setting system**

Create a system to set individual goals as well as practice goals. Regularly meet together and set your goals, the steps needed to achieve them, who needs to take the next action, and the expected date of completion.

6. **An exit strategy**

It's often easier to get into a practice with a partner than to exit when it isn't working out. Create a buy-sell agreement at the start of your practice relationship. This should outline how you exit the practice and create a fair valuation system to pay the exiting owner. Neither the selling partner nor the buying partner wants to feel taken advantage of during an ownership transition.